

**Adams, Hope**

**From:** Wessinger-Hill, JoAnne  
**Sent:** Tuesday, November 2, 2021 1:34 PM  
**To:** sam.wellborn@duke-energy.com; Heather Smith; Grube-Lybarker, Carri; Hall, Roger; Knowles, Alex; Eclancy@selcsc.org; jwkuykendall@jwklegal.com; Eclancy@selcsc.org; kmixson@selcsc.org; kmixson@selcsc.org; Bateman, Andrew; Mustian, Ben; J. Ashley Cooper; willmiddleton@parkerpoe.com; Charles L. A. Terreni; kmixson@selcsc.org; PSC\_Contact; Heather Smith; sam.wellborn@duke-energy.com; Grube-Lybarker, Carri; Hall, Roger; Knowles, Alex; Eclancy@selcsc.org; jwkuykendall@jwklegal.com; Eclancy@selcsc.org; kmixson@selcsc.org; kmixson@selcsc.org; Bateman, Andrew; Mustian, Ben; J. Ashley Cooper; willmiddleton@parkerpoe.com; Charles L. A. Terreni; kmixson@selcsc.org  
**Cc:** Butler, David; Besley, Sharon; Boyd, Jocelyn  
**Subject:** RE: CROSS EXAMINATION EXHIBIT -- ALL PARTIES OF RECORD -- DN 2021-143-E AND DN 2021-144-E  
**Attachments:** DEC-DEP Cross Exhibit No 1 - Act 62.pdf

Dear Parties of Record in Dockets No. 2021-143-E and 2021-144-E:

Attached is an electronic copy of the Cross Examination Exhibit presented and in use by the questioning attorney with the current witness. Said attorney should have also presented the same to you separately; however, in the abundance of caution, and for the DMS, the attached copy is being provided to you as well.

With kind regards, I am

Jo Anne Wessinger Hill

**C. Jo Anne Wessinger Hill, Esq.**  
**General Counsel to the Commission**  
**Public Service Commission**

State of South Carolina  
 101 Executive Center Drive, Suite 100  
 Columbia, SC 29210

[www.psc.sc.gov](http://www.psc.sc.gov)

Email: [JoAnne.Hill@psc.sc.gov](mailto:JoAnne.Hill@psc.sc.gov)

803-896-5100 (main) | 803-896-5188 (f) | [JoAnne.Hill@psc.sc.gov](mailto:JoAnne.Hill@psc.sc.gov)

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between the parties and not Public Service Commission of South Carolina (Commission) staff, please do not use “reply all” to this message. Any e-mail message involving the Commission or Commission staff is also subject to the provisions of Commission Order No. 2019-748 in Docket No. 2019-329-A; shall be published in the docket for this matter; and **should also be copied to all parties of record in the docket.** If you have received this communication in error, please immediately notify us by telephone at (803) 896-5100.

## **Renewable energy programs**

SECTION 1. Title 58 of the 1976 Code is amended by adding:

### **"CHAPTER 41 Renewable Energy Programs**

Section 58-41-05. The commission is directed to address all renewable energy issues in a fair and balanced manner, considering the costs and benefits to all customers of all programs and tariffs that relate to renewable energy and energy storage, both as part of the utility's power system and as direct investments by customers for their own energy needs and renewable goals. The commission also is directed to ensure that the revenue recovery, cost allocation, and rate design of utilities that it regulates are just and reasonable and properly reflect changes in the industry as a whole, the benefits of customer renewable energy, energy efficiency, and demand response, as well as any utility or state-specific impacts unique to South Carolina which are brought about by the consequences of this act.

## Findings and enumeration of electrical utility customer rights

SECTION 2. Article 7, Chapter 27, Title 58 of the 1976 Code is amended by adding:

"Section 58-27-845. (A) The General Assembly finds that there is a critical need to:

- (1) protect customers from rising utility costs;
- (2) provide opportunities for customer measures to reduce or manage electrical consumption from electrical utilities in a manner that contributes to reductions in utility peak electrical demand and other drivers of electrical utility costs; and
- (3) equip customers with the information and ability to manage their electric bills.

(B) Every customer of an electrical utility has the right to a rate schedule that offers the customer a reasonable opportunity to employ such energy and cost-saving measures as energy efficiency, demand response, or onsite distributed energy resources in order to reduce consumption of electricity from the electrical utility's grid and to reduce electrical utility costs.

(C) In fixing just and reasonable utility rates pursuant to Section 58-3-140 and Section 58-27-810, the commission shall consider whether rates are designed to discourage the wasteful use of public utility services while promoting all use that is economically justified in view of the relationships between costs incurred and benefits received, and that no one class of customers are unduly burdening another, and that each customer class pays, as close as practicable, the cost of providing service to them.

(D) For each class of service, the commission must ensure that each electrical utility offers to each class of service a minimum of one reasonable rate option that aligns the customer's ability to achieve bill savings with long-term reductions in the overall cost the electrical utility will incur in providing electric service, including, but not limited to, time-variant pricing structures.

(E) Every customer of an electrical utility has a right to obtain their own electric usage data in a machine-readable, accessible format to the extent such is readily available. Electrical utilities shall allow customers an electronic means to assent to share the customer's energy usage data with a third-party vendor designated by the customer."



**Definition of "customer-generator"**

SECTION 3. Section 58-40-10(C) of the 1976 Code is amended to read:

"(C) 'Customer-generator' means the owner, operator, lessee, or customer-generator lessee of an electric energy generation unit which:

- (1) generates or discharges electricity from a renewable energy resource, including an energy storage device configured to receive electrical charge solely from an onsite renewable energy resource;
- (2) has an electrical generating system with a capacity of:
  - (a) not more than the lesser of one thousand kilowatts (1,000 kW AC) or one hundred percent of contract demand if a nonresidential customer; or
  - (b) not more than twenty kilowatts (20 kW AC) if a residential customer;
- (3) is located on a single premises owned, operated, leased, or otherwise controlled by the customer;
- (4) is interconnected and operates in parallel phase and synchronization with an electrical utility and complies with the applicable interconnection standards;
- (5) is intended primarily to offset part or all of the customer-generator's own electrical energy requirements; and
- (6) meets all applicable safety, performance, interconnection, and reliability standards established by the commission, the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the federal Energy Regulatory Commission, and any local governing authorities."

## **Legislative intent and instructions**

SECTION 5. Section 58-40-20 of the 1976 Code is amended to read:

"Section 58-40-20. (A) It is the intent of the General Assembly to:

(1) build upon the successful deployment of solar generating capacity through Act 236 of 2014 to continue enabling market-driven, private investment in distributed energy resources across the State by reducing regulatory and administrative burdens to customer installation and utilization of onsite distributed energy resources;

(2) avoid disruption to the growing market for customer-scale distributed energy resources; and

(3) require the commission to establish solar choice metering requirements that fairly allocate costs and benefits to eliminate any cost shift or subsidization associated with net metering to the greatest extent practicable.

(B) An electrical utility shall make net energy metering available to all customer-generators who apply before June 1, 2021, according to the terms and conditions provided to all parties in Commission Order No. 2015-194. Customer-generators who apply for net metering after the effective date of this act but before June 1, 2021, including subsequent owners of the customer-generator facility or premises, may continue net energy metering service as provided for in Commission Order No. 2015-194 until May 31, 2029.

(C) No later than January 1, 2020, the commission shall open a generic docket to:

(1) investigate and determine the costs and benefits of the current net energy metering program; and

(2) establish a methodology for calculating the value of the energy produced by customer-generators.

(D) In evaluating the costs and benefits of the net energy metering program, the commission shall consider:

(1) the aggregate impact of customer-generators on the electrical utility's long-run marginal costs of generation, distribution, and transmission;

- (2) the cost of service implications of customer-generators on other customers within the same class, including an evaluation of whether customer-generators provide an adequate rate of return to the electrical utility compared to the otherwise applicable rate class when, for analytical purposes only, examined as a separate class within a cost of service study;
  - (3) the value of distributed energy resource generation according to the methodology approved by the commission in Commission Order No. 2015-194;
  - (4) the direct and indirect economic impact of the net energy metering program to the State; and
  - (5) any other information the commission deems relevant.
- (E) The value of the energy produced by customer-generators must be updated annually and the methodology revisited every five years.
- (F)(1) After notice and opportunity for public comment and public hearing, the commission shall establish a 'solar choice metering tariff' for customer-generators to go into effect for applications received after May 31, 2021.
- (2) In establishing any successor solar choice metering tariffs, and in approving any future modifications, the commission shall determine how meter information is used for calculating the solar choice metering measurement that is just and reasonable in light of the costs and benefits of the solar choice metering program.
  - (3) A solar choice metering tariff shall include a methodology to compensate customer-generators for the benefits provided by their generation to the power system. In determining the appropriate billing mechanism and energy measurement interval, the commission shall consider:
    - (a) current metering capability and the cost of upgrading hardware and billing systems to accomplish the provisions of the tariff;
    - (b) the interaction of the tariff with time-variant rate schedules available to customer-generators and whether different measurement intervals are justified for customer-generators taking service on a time-variant rate schedule;



- (c) whether additional mitigation measures are warranted to transition existing customer-generators; and
- (d) any other information the commission deems relevant.
- (G) In establishing a successor solar choice metering tariff, the commission is directed to:
  - (1) eliminate any cost shift to the greatest extent practicable on customers who do not have customer-sited generation while also ensuring access to customer-generator options for customers who choose to enroll in customer-generator programs; and
  - (2) permit solar choice customer-generators to use customer-generated energy behind the meter without penalty.
- (H) The commission shall establish a minimum guaranteed number of years to which solar choice metering customers are entitled pursuant to the commission approved energy measurement interval and other terms of their agreement with the electrical utility.
- (I) Nothing in this section, however, prohibits an electrical utility from continuing to recover distributed energy resource program costs in the manner and amount approved by Commission Order No. 2015-194 for customer-generators applying before June 1, 2021. Such recovery shall remain in place until full cost recovery is realized. Electrical utilities are prohibited from recovering lost revenues associated with customer-generators who apply for customer-generator programs on or after June 1, 2021.
- (J) Nothing in the section prohibits the commission from considering and establishing tariffs for another renewable energy resource."